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REMARKS

Claims 1-13 are now pending in the application. Claim 1 is now amended. The claim amendments are fully supported by the application as filed and do not introduce new subject matter. The Examiner is respectfully requested to reconsider and withdraw the rejections in view of the amendments and remarks contained herein.

REJECTION UNDER 35 U.S.C. § 102

Claims 1, 2, and 4-7 stand rejected under 35 U.S.C. § 102(b) as being anticipated by Brewer et al. (U.S. Pat. No. 5,255,324). This rejection is respectfully traversed.

The Applicants amend claim 1 to clarify that the control signals initiate both initially reducing the first parameter (i.e. before the second parameter) in the event of clipping and initially recovering the second parameter (i.e. before the first parameter) that has been reduced due to clipping. (see Paragraph [0021].)

For anticipation to be present under 35 U.S.C. §102(b), there must be no difference between the claimed invention and the reference disclosure as viewed by one skilled in the field of the invention. Scripps Clinic & Res. Found. V. Genentech, Inc., 18 USPQ.2d 1001 (Fed. Cir. 1991). All of the limitations of the claim must be inherent or expressly disclosed and must be arranged as in the claim. Constant v. Advanced Micro-Devices, Inc., 7 USPQ.2d 1057 (Fed. Cir. 1988).

The Office Action recognized that Brewer does not disclose recovering a first parameter after a second parameter is fully recovered. (Office Action, page 6.) Therefore because the amended claim 1 includes at least one element not disclosed or

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suggested by Brewer, this rejection cannot be maintained; and claim 1 is believed to be allowable. Claims 2 and 4-7 depend from claim 1 and are also believed to be allowable for at least this reason.

REJECTION UNDER 35 U.S.C. § 103

Claims 3 and 8-13 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Brewer in view of Wassink (U.S. Pat. No. 5,633,940). This rejection is respectfully traversed.

The Office Action recognizes that Brewer fails to disclose recovering the first parameter if the original level of the second parameter is fully recovered and the clipping signal is not detected. According to the Office Action, Wassink includes this element; and it would be obvious to combine Wassink with Brewer.

Applicant respectfully asserts that the Office Action has failed to clearly and particularly support the alleged motivation to combine these references using actual evidence as required. According to established mandates of the patent laws, "[t]o establish a prima facie case of obviousness . . . there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings." M.P.E.P. § 2142. "There are three possible sources for a motivation to combine references: the nature of the problem to be solved, the teachings of the prior art, and the knowledge of persons of ordinary skill in the art." M.P.E.P. § 2143.01.

"The motivation, suggestion or teaching may come explicitly from statements in the prior art, the knowledge of one of ordinary skill in the art, or, in some cases the

nature of the problem to be solved." *In re Kotzab*, 217 F.3d 1365, 1370, 55 U.S.P.Q.2d 1313, 1317 (Fed. Cir. 2000). The showing must be "clear and particular, and it must be supported by **actual evidence**." *Teleflex, Inc. v. Ficosa North American Corp.*, 299 F.3d 1313, 1334, 63 U.S.P.Q.2d 1374, 1387 (Fed. Cir. 2002) (quoting *In re Dembiczak*, 175 F.3d 994, 999, 50 U.S.P.Q.2d 1614, 1617 (Fed. Cir. 1999)) (emphasis added). It is not sufficient to rely on "common sense and common knowledge," as there must be specific evidence to support the motivation. *In re Lee*, 277 F.3d 1338, 1344-45, 61 U.S.P.Q.2d 1430, 1434-35 (Fed. Cir. 2002)]. It is respectfully submitted that the Patent Office has not made a legally sufficient showing of a motivation to combine based on actual, specific, evidence.

Rather, according to M.P.E.P. § 2142, "[t]o reach a proper determination under 35 U.S.C. 103, . . . impermissible hindsight must be avoided and the legal conclusion [of obviousness] must be reached on the basis of the facts gleaned from the prior art." Furthermore, according to M.P.E.P. § 2143.01, "[t]he mere fact that references can be . . . modified does not render the resultant combination obvious unless the prior art also suggests the desirability of [such modification]." *In re Mills*, 916 F.2d 680, 16 U.S.P.Q.2d 1430 (Fed. Cir. 1990). Since the Patent Office has offered no proper support or motivation for combining the references, it is respectfully submitted that the rejection based on obviousness is clearly and unequivocally founded upon "knowledge gleaned only from applicant's disclosure." M.P.E.P. § 2145. Consequently, it is respectfully submitted that the rejection entails hindsight and is, therefore, improper.

Claim 8 includes both incrementally reducing the first parameter before the second parameter in the event of clipping *and* incrementally recovering an original level

of the second parameter before incrementally recovering an original level of the first parameter. This combination of steps reduces noticability of audio signal change for listeners. (Paragraph [0021].) While Brewer arguably includes audio processing steps, it clearly does not include the aforementioned combination of steps. Further, although Wassink appears to mention different orders of affecting parameter settings, neither Wassink nor Brewer disclose or suggest that the claimed order would be beneficial.

No reason is provided in either the Brewer or Wassink references why one skilled in the art would modify Brewer as proposed. The fact that one of skill in the art has the capabilities to arrive at the invention is not the test for whether one of skill in the art would have arrived at the invention based on the teachings of the prior art. *Ex parte Levengood*, 28 U.S.P.Q.2d 1300, 1301-02 (Bd. Pat. App. & Inter. 1993) ("That which is within the capabilities of one skilled in the art is not synonymous with obviousness"). The focus must remain on what the prior art suggested to one of skill in the art at the time the invention was made.

Therefore, claim 8 is believed to be allowable because one skilled in the art would not have been motivated by the prior art references to produce the present invention. Claims 9-13 depend from claim 8 and are believed to be allowable for at least the aforementioned reason.

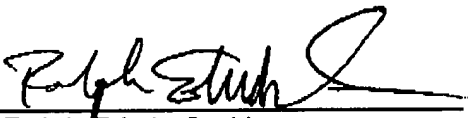
CONCLUSION

It is believed that all of the stated grounds of rejection have been properly traversed, accommodated, or rendered moot. Applicant therefore respectfully requests that the Examiner reconsider and withdraw all presently outstanding rejections. It is

believed that a full and complete response has been made to the outstanding Office Action and the present application is in condition for allowance. Thus, prompt and favorable consideration of this amendment is respectfully requested. If the Examiner believes that personal communication will expedite prosecution of this application, the Examiner is invited to telephone the undersigned at (248) 944-6519.

Respectfully submitted,

Dated: 8/30/06

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